South East Community Panel to investigate funding options to maintain the South East Drainage Network
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Overview

A community panel was established in 2014 to investigate funding options to maintain the South East Drainage Network. The South East Natural Resources Management Board engaged not-for-profit research organisation, The newDemocracy Foundation, to establish a community panel in the style of a citizen’s jury.

At the start of the process, the panel’s terms of reference were that the State Government would continue to provide $2.2 million per annum in state appropriation. The Government stated that this funding would be continued, but no additional State Government funding was available.

The panel was tasked with providing recommendations in response to the following questions:

**How should we pay for maintaining our largest local infrastructure asset – the South East Drainage Network?”**

**“The State Government will commit $2.2 million per annum. Do we want to spend more than that, and if so, how do we fairly share this cost across the region?”**

The panel investigated options to raise extra funding, as well as who should pay for the future management of the drainage system.

The Panel came together to hear evidence and took submissions from technical experts and the broader community to assist them to develop the recommendations they provided to the State Government.
Government response

Summary
The State Government recognises the significance of the South East region to the State, and recognises the importance of the Drainage Network to the region. The Network is an asset which benefits the general public and South East private landowners and, as such, the Government’s view is that maintenance should be met through both public and private investment.

This is why the State Government is dedicated to the continuing maintenance and operation of the South East Drainage Network, on behalf of the broader South Australian community, with an annual commitment of $2.2 million per annum.

The Government understands that there is a need for greater investment in the Drainage Network, and acknowledges the importance of local knowledge and advice in the development of future funding options. The State Government wants to continue to work with the community to determine how that additional cost should be recovered from the Network’s beneficiaries.

The Government appreciates the investment in time and energy that the Community Panel members have committed to this process, and welcomes the report and recommendations. While it is not possible to adopt or pursue all of the Panel’s recommendations, the Panel members’ effort has been valued and will help shape a range of actions to ensure the long-term maintenance of the South East Drainage Network.

In particular, I have asked the Department of Environment, Water and Natural Resources to work with the South East Natural Resources Management Board and the South Eastern Water, Conservation and Drainage Board to progress discussion with the community, and I look forward to seeing the outcomes of these consultations.
Recommendation 1:
*The Community Panel recommends that the State Government should pay for the ongoing maintenance of the South East Drainage Network from State Appropriation. The panel specifically opposes the introduction of a regional based levy.*

Assessment of Community Panel Recommendation 1
The State Government was clear at the start of the panel process that they could not invest more than the $2.2 million already budgeted through state appropriation for the drainage network.

As a levy is not supported by the community, the Department of Environment, Water and Natural Resources will continue to work with the South East Natural Resources Management Board and the South Eastern Water, Conservation and Drainage Board to seek opportunities to leverage funds from sources other than the State Government and explore options for creating efficiencies which support the improved operation and maintenance of the South East Drainage Network.

Recommendation 2:
*The Community Panel recommends that $2.2m is not enough for acceptable maintenance of the South East Drainage Network. The panel recommends funding be set at the OECD Industry Standard which is 3% of capital value.*

Assessment of Community Panel Recommendation 2
The South East Drainage Network is managed by the South Eastern Water, Conservation and Drainage (SE WCD) Board under the *South Eastern Water Conservation and Drainage Act 1992.*

In order to address this recommendation, a review will be undertaken of how the South East Drainage Network is operated and maintained. This review will be undertaken by the South East Natural Resources Management Board and the South Eastern Water, Conservation and Drainage Board, working in partnership with the regional community.

The review will explore options for creating efficiencies which support the improved operation and maintenance of the South East Drainage Network.
Recommendation 3:
The Community Panel recommends that the State Government credits the value of South East water which will be delivered to the Coorong via the South East Flows Restoration Project, in line with the market value of the Murray River Water market prices and allocates the savings/funds directly for the maintenance of the South East Drainage Network.

Assessment of Community Panel Recommendation 3
The South East Natural Resources Management Board will maintain involvement in the Sustainable Diversion Limit and Water Resources Planning processes that are currently underway within the SA Murray Darling Basin, in response to this recommendation.

Recommendation 4:
The Community Panel recommends that the South East Conservation and Drainage Board must maintain all its water management works in a good state of safety, cleanliness, and repair and in an efficient working order, as prescribed by the South Eastern, Water and Conservation Drainage Act of 1992.

Assessment of Community Panel Recommendation 4
A review will be undertaken of how the South East Drainage Network is operated and maintained. This review will be undertaken by the South East Natural Resources Management Board and the South Eastern Water, Conservation and Drainage Board, working in partnership with the regional community.

The review will explore options for creating efficiencies which support the improved operation and maintenance of the South East Drainage Network.

Recommendation 5:
The Community Panel recommends that the government source sufficient annual funding for the drains from better planned budgeting and fairer apportionment of annual budgets without adding levies or increasing existing taxes.

Assessment of Community Panel Recommendation 5
The Department of Environment, Water and Natural Resources will continue to work with the South East Natural Resources Management Board and the South Eastern Water, Conservation and Drainage Board to seek opportunities to leverage funds from sources other than the State Government.
Recommendation 6:

The Panel recommends that the State Government should only accept funding for future capital drainage works with a provision to adequately fund the maintenance.

Assessment of Community Panel Recommendation 6

This recommendation is noted and will be actioned where possible. Funding typically obtained through external sources such as the Commonwealth is targeted at capital investment rather than ongoing operation and maintenance.

When capital drainage works are planned, the overall impact on the cost of the operation and maintenance of the Network will be taken into consideration.

Recommendation 7:

The Community Panel recommends that in consultation with affected stakeholders, the existing Drainage Network be assessed, in order that drain maintenance is appropriately prioritised.

Assessment of Community Panel recommendation 7

As previously mentioned, a review will be undertaken of how the South East Drainage Network is operated and maintained. This review will be undertaken by the South East Natural Resources Management Board and the South Eastern Water, Conservation and Drainage Board, working in partnership with the regional community.

The review will explore options for creating efficiencies which support the improved operation and maintenance of the South East Drainage Network.

This will be supported by the collaborative relationship between the two Boards to guide surface water management in the South East and to continue these important discussions with the South East community.
Next steps

The State Government appreciates the investment that each of the Community Panel members has made in the development of its report and recommendations for the ongoing maintenance of the South East Drainage Network, and the Government recognises that the process has been a valuable exercise.

As previously committed, the State Government will maintain its contribution to the ongoing operation and maintenance of the Network of $2.2 million per year. South East Natural Resource Management Board and the South Eastern Water, Conservation and Drainage Board will undertake a review of how the South East Drainage Network is operated and maintained.

This review will be in partnership with the regional community. The South East Natural Resources Management Board will also maintain involvement in the Sustainable Diversion Limit and Water Resources Planning processes that are currently underway within the SA Murray Darling Basin.

In response to the remaining recommendations, the Department of Environment, Water and Natural Resources will continue to work with the South East Natural Resources Management Board and the South Eastern Water, Conservation and Drainage Board to seek opportunities to leverage funds from sources other than the State Government. They will also explore options for creating efficiencies which support the improved operation and maintenance of the South East Drainage Network.

This will be supported by the collaborative relationship between the two Boards to guide surface water management in the South East and to continue these important discussions with the South East community.

The State Government is committed to working with and listening to the local community on issues surrounding this important piece of local infrastructure, and the Government will encourage the Department of Environment, Water and Natural Resources to work with the Boards to process discussion in the community.
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